

**From:** kent.satterlee@shell.com

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**To:** Rules Comments

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**Subject:** RIN 1010-AD41 Proposed Rule on Changing Proprietary Term of Certain Geophysical Information

Shell E&P Company is pleased to submit these comments on the subject proposed rule published in the June 18, 2007, Federal Register:

**Geological and Geophysical (G&G)  
Explorations of the Outer Continental  
Shelf—Changing Proprietary Term of  
Certain Geophysical Information**

Shell strongly supports the proposed rule and urges MMS to adopt the proposed changes quickly. We feel that the proposed rule is necessary to amend changes to the final rule at part 251 (71 FR 16933, March 30, 2006, effective date May 1, 2006) which modified the start dates of proprietary terms for geophysical data and information and any derivatives of these data.

Shell has recently underwritten seismic reprocessing of Alaska OCS seismic data acquired in the 1980's. The major concern of the seismic reprocessor was whether they could recover the investment cost if the data was released after 25 years, regardless of reprocessing date. In addition, Shell is also reprocessing a large number of line miles of proprietary 2D data. We lose competitive advantage if our proprietary reprocessed data goes public right away. The cost of reprocessing is substantial at \$5-10 million for a project of 5000 square km. Application of new technology for reprocessing helps identify hydrocarbons that were previously unseen. It also enables more effective and efficient development and production so that accumulations that would have been considered as uneconomic are now viable. This helps to secure the energy future of the United States and helps to reduce the cost to the consumer.

We believe there is a justification for greater than a 5-year extension. For example, Brazil has a 10-year reset when data is reprocessed before it is made public. We support the provision in the proposed rule that allows multiple extension applications up to a maximum of 50 years after MMS issued the permit.

We have some concern with the application process. The proposed rule requires that we must file for an extension within 30 days of completion of reprocessing. We believe this is unreasonably short and recommend that this requirement be extended to 90 days. The proposal also includes the requirement for a certification statement that the product meets the definition of reprocessing; however, there is no definition that we can find for what the definition of reprocessing is. Please supply this definition.

Best regards,

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